

PROPERTY AND CASUALTY INSURANCE

CHAPTER 20

PROPERTY AND CASUALTY INSURANCE RATE AND FORM FILING PROCEDURES

[Prior to 10/22/86, Insurance Department[510]]

191—20.1(515,515A,515C,518,518A,520) General requirements.

20.1(1) All filings submitted to the Iowa division of insurance must be accompanied by a prepaid self-addressed envelope large enough to contain all copies of material requested to be returned.

20.1(2) Rescinded IAB 8/8/90, effective 9/12/90.

20.1(3) If submission is a combination forms and rate filing, the division will retain two copies of the filing for its files. If the company desires a copy of the form stamped "APPROVED" for its own files, a third copy of the filing should be included with the submission.

20.1(4) If more than four forms are submitted for review with one submission, the filing shall contain a separate sheet listing forms by descriptive caption and identifying form number.

191—20.2(515,515A,515C,518,518A,520) Filing synopsis.

20.2(1) For residual market mechanisms or ordinary lines of insurance except workers' compensation each filing must be accompanied by an Iowa filing synopsis sheet, Form No. PC-101, a copy of which is attached* hereto and by reference made a part hereof. If filing includes several policy form submissions, separate synopsis sheets should be prepared for each policy form. If a policy form is filed with several endorsements, endorsement title and identification number may be listed on a separate sheet of paper attached to the synopsis form.

20.2(2) If submission is made by a group on behalf of several member companies, separate synopsis forms shall be prepared for each insurance company.

20.2(3) Rescinded IAB 8/8/90, effective 9/12/90.

20.2(4) Each filing shall indicate the name and telephone number, including area code, of the person or persons at the company who may be contacted regarding the submission.

191—20.3(515,515A,515C,518,518A,520) Letter of transmittal.

20.3(1) Filings shall be accompanied by a letter of transmittal with appropriate number of copies, which sets forth:

a. The name of the insurer organization making the filing. If a group letterhead is used, the letter of transmittal shall clearly designate the name of the company or companies on whose behalf the filing is made.

b. Title and reasonable identification of the filing.

c. The proposed effective date of the filing and applicable rule.

d. Whether the filing is new or supersedes a present filing, and if the latter, identifies the approval date of the present filing and describes all changes by paragraphs and clauses, and any changes in policy title or identification number if applicable. Comparison should also be made with an advisory organization form presently in use, if applicable.

e. If an endorsement, identification of the policy form or forms to which it should be attached by policy title, identification number, and date of prior approval.

20.3(2) Information submitted in support of any filing may be set forth in the letter of transmittal or by an exhibit attached thereto.

20.3(3) Number of copies of letter of transmittal required:

a. If a filing is a rate or form filing only, an original and one copy are necessary.

b. If a filing is a combination rate and form filing, an original and two copies are necessary.

*Printed at end of chapter.

c. If a filing is a deviation filing involving a residual market mechanism, an additional copy must be furnished for the advisory organization involved in both “a” and “b” above.

191—20.4(515,515C,518,518A,520) Policy form filing.

20.4(1) Preliminary filing of forms may be made in typed or printer’s proof format, provided that they are refiled and approved before use in final printed form. The division will return to the sender any mockup forms which are unreadable because of size of print, clarity of copy, or format of form.

20.4(2) Each policy form, endorsement, application and agreement modifying the provisions of policies must bear an identification form number. This form number must be in the lower left-hand corner unless uniform or authentic forms are used.

20.4(3) All endorsements, riders and agreements restricting coverage provisions of the policy form previously issued must provide a signature line for acceptance by the named insured.

20.4(4) In addition to the required synopsis form and cover letter, each filing submitted to the insurance division for approval shall be accompanied by a certification of the general counsel or an officer of the submitting company that the policy form is in compliance with the insurance laws of Iowa and these rules.

20.4(5) Any insured or established organization with one or more insureds among its members may file a written request with the commissioner for a hearing on a proposed form filing. A request for hearing must be filed within 20 days of receipt of the form filing by the commissioner.

20.4(6) The commissioner of insurance will hold the hearing within 20 days after receipt of the written demand for a hearing and will give not less than 10 days’ written notice of the time and place of the hearing to the person or association filing the demand, to the filing insurer or organization, and to any other person requesting a notice. The commissioner of insurance may suspend or postpone the effective date of the proposed filing pending the hearing.

20.4(7) A form filing which has not been previously approved, disapproved or questioned shall be deemed approved on or after 30 days from its receipt.

191—20.5(515A) Rate or manual rule filing.

20.5(1) Every insurer shall determine and file its final rates with the commissioner pursuant to provisions of Iowa Code chapter 515F, except for insurers of workers’ compensation who are specifically excluded by Iowa Code section 515F.5 and residual market mechanisms.

a. Advisory organizations may file on behalf of their member and subscriber companies prospective loss costs, supplementary rate information and supporting information as defined in Iowa Code section 515F.2. Advisory organization filings shall be filed and made effective in accordance with the provisions of Iowa Code sections 515F.4 to 515F.6 or 515F.23 to 515F.25 that apply to the filing and approval of rates and supplementary rating information.

b. An insurer may satisfy its obligation to make rate filings by becoming a participating insurer of a licensed advisory organization that makes reference filings of advisory prospective loss costs and by authorizing the commissioner to accept such filings on its behalf by completing and filing a (1) Reference Filing Adoption Form, (2) a Summary of Supporting Information Form and, if applicable, (3) an Expense Constant Supplement to be provided by the commissioner. The insurer’s rates shall be the prospective loss costs filed by the advisory organization which have been put into effect in accordance with 20.5(1) “a,” combined with the loss cost adjustments which are filed in accordance with this paragraph.

c. An insurer may satisfy its obligation to make filings of supplementary rating information by becoming a participating insurer of a licensed advisory organization which makes such filings and by authorizing the commissioner to accept such filings on its behalf. The insurer’s supplementary rating information shall be that filed by the advisory organization, subject to any modifications filed by the insurer.

d. If an insurer has previously filed forms modifying coverage provided by the applicable advisory organization forms, such fact should be noted in the rate filing.

20.5(2) Rate filings shall reflect that due consideration has been given to the factors enumerated in Iowa Code section 515F.4(1), and shall be accompanied by supporting statistical exhibits. In addition, each filing shall note the date of the last revision of rates affecting this coverage and briefly describe the nature of that revision.

20.5(3) Filings of rules or rates may be made in a form other than manual size pages provided that if made effective they are replaced within a reasonable period of time by manual size pages, showing the page number and rule number, with a reference to the pertinent filing. The filing of special rules or rating plans may be made on other than manual size pages, and need not be so replaced provided that a manual size reference page is furnished for the filing.

20.5(4) Insurers making filings in their own behalf and advisory organizations shall identify each page filed by printing, typing or stamping their own name thereon.

20.5(5) If a company filing rates used the manuals of an advisory organization in its filings, any portion of the manuals of the organization which will not be followed by the filing must be clearly shown as deleted or amended by use of an appropriately numbered exception page. Exception pages shall be on a different colored paper so as to be easily identified, and should be of the same size as the basic manual.

20.5(6) For residual market mechanisms, insurers making filings in their own behalf shall identify the submission as an independent filing or a deviation from the bureau filing. A deviation filing is a submission which represents modification of a form or rate or rule previously filed by an authorized rating organization on behalf of its member and subscriber companies. If an insurer has previously filed forms modifying coverage provided by the applicable standard or bureau forms, such fact should be noted in the rate filing.

191—20.6(515A) Exemption from filing requirement.

20.6(1) An insurer requesting, pursuant to Iowa Code section 515F.5(4), suspension or modification of the requirement of filing of a rate shall provide the commissioner with a full explanation for the proposed exemption from the filing requirement together with any actuarial data available and shall furnish the commissioner with any additional material the commissioner may desire.

20.6(2) If the commissioner finds that a proposed rate represents a classification for which credible and homogeneous statistical experience does not exist and cannot be analyzed using standard actuarial techniques to produce a statistically significant average rate for the individual risks within the classification, the commissioner may exempt the proposed rate from the filing requirement.

20.6(3) An insurer shall maintain statistical records of the experience and expenses attendant upon the risks covered by any rate exempted by the commissioner from the filing requirement. The insurer may supplement statistical information with information filed with the commissioner by an advisory organization.

This rule is intended to implement Iowa Code section 515A.4(6).

191—20.7(515E) Risk retention and purchasing groups. All risk retention groups and purchasing groups required to file notice with the commissioner pursuant to Iowa Code sections 515E.4 and 515E.8 shall include a fee of \$100 with each filing.

191—20.8(515A) Rate filings for crop-hail insurance. Rate filings for crop-hail insurance shall be submitted on or before March 15 of each calendar year. Each company may file one set of rates per policy plan per calendar year which shall remain in effect throughout the current crop year. In the absence of a new filing, rates on file from the previous year will remain in effect. Each filing shall be accompanied by a cover letter, synopsis sheet and supporting data which justifies the filed rate.

191—20.9(515F) Licensing advisory organization. All rating organizations currently licensed pursuant to Iowa Code section 515A.6 shall also be deemed to be licensed as advisory organizations pursuant to Iowa Code section 515F.8 until such time as the current rating organization license expires.

191—20.10(515F) Exemptions. In order to ensure a smooth and orderly transition to prospective loss costs, an advisory organization may file for the commissioner's approval a prospective loss cost implementation schedule that sets forth reasonable time frames for the conversion from the filing of rates to the filing of prospective loss costs in Iowa.

Advisory organizations may continue to distribute manuals of rates, rating schedules and other similar information which they legally put into effect prior to July 1, 1990, or such material that has been exempted pursuant to the paragraph above.

191—20.11(515) Exemption from form and rate filing requirements.

20.11(1) The following lines of insurance shall be exempt from the form filing requirements of Iowa Code section 515.109:

Aircraft hull and aviation liability

Difference-in-conditions

Kidnap-ransom

Manuscript policies and endorsements issued to not more than two insureds in Iowa

Political risk

Reinsurance

Terrorism

War risk

Weather insurance

20.11(2) Insurers shall be exempt from filing rates for the lines of insurance exempted in 20. 11(1).

20.11(3) An insurer shall within 30 days of request provide the commissioner with any of the information which is exempted from form and rate filing requirements.

These rules are intended to implement 1990 Iowa Acts, chapter 1234, and Iowa Code section 515.109.

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*See IAB Insurance Division
Note: See Ch. 20, p.5 for forms

191M—01A.PCX

191N—01A.PCX

191O—01A.PCX

191P—01A.PCX

INSURANCE DIVISION OF IOWA
PROPERTY/CASUALTY BUREAU

FILING SYNOPSIS

FORM	<input type="checkbox"/>
RATE and/or MANUAL	<input type="checkbox"/>

1. Company Name _____
2. Address _____

3. <u>Line of Insurance</u>	4. <u>Proposed Effective Date</u>
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5. Give brief description of filing _____

6. <u>Form Title(s)</u>	7. <u>Form Number(s)</u>
	-
	-
	-
	-
	-

<input type="checkbox"/> Replaces Form No.(s) _____	<input type="checkbox"/> New
<input type="checkbox"/> Attaches to Policy Form(s) _____	

8. Does Form Reduce _____ Limit _____ Broaden Coverage _____
- Explain How _____

9. Manual Rule Number(s) Changed _____
- | | |
|--------------------------------------|--|
| <input type="checkbox"/> New Page(s) | <input type="checkbox"/> Supersedes Page Number(s) _____ |
|--------------------------------------|--|

10. Net (Statewide) effect of filing: Increase _____ % Decrease _____ % No Change _____

11. Approximate Iowa annual premium written by Company in business affected by this filing: \$ _____	Date of Last Rate Revision _____ Percentage of Change: Up _____ % Down _____ %
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12. Is this an independent filing: _____ Deviation _____
- a. If independent filing is identical or similar to Bureau filing, describe above.
- b. If deviation filing, enclose copy for Bureau.

DATE: _____	By: _____
	Title: _____

FORM NO. PC-101

Phone: _____

Insurer Name: _____

Date: _____

NAIC Number: _____

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS
SUMMARY OF SUPPORTING INFORMATION FORM

CALCULATION OF COMPANY LOSS COST MULTIPLIER

1. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies:

2. Loss Cost Modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
(CHECK ONE)

☐ Without modification. (factor = 1.000)

☐ With the following modification(s). (Cite the nature and percent modification, and
attach supporting data and/or rationale for the modification.)

B. Loss Cost Modification Expressed as a Factor: _____
(See examples below.)

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 3 - 7 BELOW.

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

A. Total Production Expense	Selected Provisions
B. General Expense	_____ %
C. Taxes, Licenses & Fees	_____ %
D. Underwriting Profit & Contingencies	_____ %
E. Other (explain)	_____ %
F. TOTAL	_____ %
- 4A. Expected Loss Ratio: $ELR=100\% - 3F =$ _____ %
- 4B. ELR in decimal form = _____
5. Company Formula Loss Cost Multiplier: $(2B \div 4B) =$ _____
6. Company Selected Loss Cost Multiplier = _____
Explain any differences between 5 and 6:

7. Rate level change for the coverages to which this page applies _____ %

Example 1: Loss Cost modification factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss Cost modification factor: If your company's loss cost modification is +15%, a factor of 1.15 (1.000 + .150) should be used.

Insurer Name: _____
NAIC Number: _____

Date: _____

EXPENSE CONSTANT SUPPLEMENT

CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

	Overall	Selected Provisions Variable	Fixed
A. Total Production Expense	_____	_____	_____
B. General Expense	_____	_____	_____
C. Taxes, Licenses & Fees	_____	_____	_____
D. Underwriting Profit & Contingencies	_____	_____	_____
E. Other (explain)	_____	_____	_____
F. TOTAL	_____	_____	_____

4. A. Expected Loss Ratio: $ELR=100\% - \text{Overall } 3F =$ _____
B. ELR expressed in decimal form $=$ _____
C. Variable Expected Loss Ratio $VELR=100\% - \text{Variable } 3F =$ _____
D. $VELR$ in decimal form $=$ _____

5. Formula Expense Constant:
 $[(1.00 \div 4B) - (1.00 \div 4D)] \times \text{Average Underlying Loss Cost} =$ _____

Formula Variable Loss Cost Multiplier: $(2B \div 4D) =$ _____

6. Selected Expense Constant = _____

Selected Variable Loss Cost Multiplier = _____

7. Explain any differences between 5 and 6:

8. Rate level change for the coverages to which this page applies _____ %

Space Reserved for Insurance Department Use

Date: _____

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COSTS
REFERENCE FILING ADOPTION FORM

1. INSURER NAME _____
ADDRESS _____

PERSON RESPONSIBLE FOR FILING _____
TITLE _____ TELEPHONE # _____
2. INSURER NAIC # _____ IOWA COMPANY CODE # _____
3. LINE OF INSURANCE _____
4. ADVISORY ORGANIZATION _____
5. ADVISORY ORGANIZATION REFERENCE FILING # _____
6. The above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files to be deemed to have independently submitted as its own filing the prospective loss costs in the captioned Reference Filing.

The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.
7. PROPOSED RATE LEVEL CHANGE _____ % EFFECTIVE DATE _____
8. PRIOR RATE LEVEL CHANGE _____ % EFFECTIVE DATE _____
9. ATTACH "SUMMARY OF SUPPORTING INFORMATION FORM"
(Use a separate Summary for each insurer-selected loss cost multiplier.)
10. CHECK ONE OF THE FOLLOWING:

- ☐ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or amended or withdrawn by the insurer.
- ☐ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.